

DRAFTING A STATEMENT OF WORK (SOW)

The Statement of Work (SOW) is the most important component of any transaction. A good SOW ensures projects are completed on time, in scope, and with few disputes. Conversely, poorly drafted SOWs often lead to increased costs, late projects, and strained vendor relationships. This guide is meant to help you construct a Statement of Work that ensures your projects are successful.

I. Elements of a SOW

An effective SOW should clearly define what work will be done, who will do it, and when they will complete it. The SOW does not need to be an exhaustive list of every action necessary to complete a project, but the SOW should be detailed enough so that anyone with the appropriate background should be able to understand, without any ambiguity, what will result from the project. The initial SOW should be mapped and put into place prior to the posting of the procurement. This will facilitate the process and assist vendors in understanding the scope of the contemplated transaction. The SOW should be revisited and finalized after the procurement closes but prior to the contracting phase. It is not uncommon to work with the successful vendor to assist in the preparation of the final SOW.

Every SOW should, at minimum, include the following elements:

- A description of the deliverables, including any specifications or standards that those deliverables must meet.
- The tasks that support the deliverables, as well as which Party (the University or the Contractor) is responsible for completing those tasks.
- A timeline that details when each task will be completed and when each deliverable will be delivered.
- The resources (people, equipment, facilities, etc.) are required for the project and the party responsible for providing those resources.
- Acceptance criteria and an acceptance procedure.
- A clear price for the project, that is limited to a fixed amount.

The SOW could be as simple as a sentence that describes when and where a speaker will give a lecture or the SOW be as complicated as the development and implementation of an enterprise level software solution. If your SOW clearly lays out each one of the elements above, your project is much more likely to be completed on time, within scope and budget and with minimal conflict.

II. Describing the Deliverables

Before you can describe any Deliverables, you must fully understand what you need to buy. This should come from your understanding of the larger project that a particular

purchase supports. One way to get to such an understanding is to ask the following questions:

- What problems are the purchased goods or services meant to solve? For example: The current software system is outdated, too expensive to maintain, and unable to interface with new technology you plan to implement. To meet those needs, your SOW should include specifications that the software must be modern, have low maintenance costs, and interface with certain named equipment.
- What functionality should the purchased system provide? For example: The software must integrate with banner such that data can be exchanged by both systems. Or, the microscope must be able to magnify up to 4000X.
- What standards should the system meet? For Example: the software should be coded in Python.

The number and breadth of your Deliverables is dependent on the complexity of your purchase. Effective SOWs focus on end functionality and only detail the manner by which such functionality will be achieved when necessary. Overly prescriptive SOWs can create a “be careful what you ask for” scenario, where the vendor provides a solution that meets all the requirements but may not produce the needed in functionality.

III. Listing the tasks

Now that you have an understanding of what you want to buy, you want to develop a plan of how to build and implement what you are buying. Such a plan could be as simple as issuing a PO requesting that the vendor deliver an off-the-shelf good on a specific date. Plan to develop and implement complex items like enterprise customer software are often much more complex.

After the close of the procurement but prior to contracting, UO and the vendor may share the tasks in order to complete the final SOW quickly and most efficiently. In those instances, the SOW must clearly delineate which party is responsible for which tasks. If the completion of one task is dependent on the completion of another task, such a dependency should be clearly stated in the SOW.

IV. Creating the timeline

Once you have a clear understanding of the final Deliverables and the Tasks, work to create a timeline when each Task will be completed and when each Deliverable will be delivered. Timelines can be set out by specific dates, or by lengths of time between the completion of Tasks or Deliverables. Using dates is most effective when one party is responsible for the bulk of the work. Using lengths of time is useful when works is shared by the parties, and the Tasks/Deliverables to be completed by one party are often dependent on the completion of tasks by the other party.

V. Identifying resources

If specific resources, personnel, or facilities will be provided by either party and are necessary for the successful completion of the SOW such resources should be identified and the role such resources play should be detailed. For Example: UO may provide the vendor access to UO's facilities equipment when the vendor conducting work on UO's property. In such cases, the SOW should include reasonable limitation as to when and how the vendor will use those resources.

VI. Acceptance

Acceptance terms should clearly define a process by which UO will accept a completed Deliverable. Often such terms will reference the specifications in the SOW. The terms should indicate the amount of time UO as to accept, the manner in which UO will effect acceptance, any specific tests UO will conduct while determining acceptance, and the duties of the vendor in the event UO is unable to accept. When multiple Deliverables will be provided there may be multiple instances of Acceptance.

VII. Pricing and Payment

Pricing and Payment terms should be linked to UO's acceptance of completed Deliverables. For longer projects, where milestone payments are appropriate, such payments should be linked to UO's acceptance of intermediate Deliverables. The bulk of the payment should be reserved for the completion of the entire project.

Often, vendors will ask UO to agree to time and materials payment terms. Such terms create a lot of risk for UO. The best practice is to agree to firm fixed prices linked to the completion of specific projects. If agreement to time and materials terms, or other variable rates is necessary, the terms should include a "not-to-exceed" cap in price. Depending on the value of the purchases, such caps may be required.